

General Policies and Procedures

Corporate Policies

Comptroller's Corporate Manual

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General Policies and Procedures

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Background

The OCC charters, regulates, and supervises national banks and federal branches and agencies of foreign banks in the United States, accounting for over half of the nation's banking assets. Its mission is to ensure a safe, sound, and competitive national banking system that supports the citizens, communities, and economy of the United States.

The OCC acts on filings for corporate activities according to national banking laws, which grant it the general authority to regulate national banks, and OCC regulations (e.g., 12 CFR 5 and 28). This booklet consolidates general policies and procedures that are broadly applicable to most OCC corporate filings. It is to be used with other booklets in the *Comptroller's Corporate Manual* (manual) to prepare specific corporate filings.

In December 1996, the Comptroller of the Currency (OCC) amended its corporate regulations in 12 CFR 5 (Part 5) to update, streamline, and reduce unnecessary regulatory costs and burdens in the corporate process. Those changes are reflected in this edition of the manual and have the following effects:

- The OCC no longer requires filings for certain routine corporate activities, resulting in decreased regulatory burden on affected national banks.
- Filers will find specific requirements and updated policies in the revised Part 5 and this manual.
- Healthy, well-capitalized national banks with "outstanding" or "satisfactory" Community Reinvestment Act (CRA) ratings will realize significant burden reduction for several types of corporate filings.
- The OCC can better focus its resources on filings that are likely to present a greater risk to safety and soundness or that present legal, compliance, or policy concerns, because of the nature of the activity or the particular bank proposing the activity.

Definitions

An **applicant** is a person or entity that submits a notice or application to the OCC.

An **application** is a submission requesting prior OCC approval to engage in various corporate activities or transactions (also see **notice** definition).

Appropriate district office means: (1) Bank Organization and Structure (BOS) for all national bank subsidiaries of certain holding companies assigned to the Washington, DC licensing unit; (2) the appropriate OCC district office for all national bank subsidiaries of certain holding companies assigned to a district office licensing unit; (3) the OCC's district office where the national bank's supervisory office is located for all other banks; or, (4) the OCC's International Banking and Finance Department (IB&F) for federal branches and agencies of foreign banks.

A **complete filing** is fully responsive to each request for information included in a sample notice or application contained in this manual; includes any information subsequently requested by the OCC; and/or provides adequate information, when considered together with other information available to the OCC for its decision.

A **corporate filing** or **filing** is either an application or a notice.

An **eligible bank** is a national bank that:

- Has a composite CAMELS rating of 1 or 2.
- Has an "outstanding" or "satisfactory" Community Reinvestment Act (CRA) rating. (This factor does not apply to an uninsured bank or branch or a special purpose bank covered by 12 CFR 25.11(c)(3).)
- Is well capitalized as defined at 12 CFR 6.4(b)(1).
- Is not subject to a cease and desist order, consent order, formal written agreement, or Prompt Corrective Action directive or, if subject to any such order, agreement or directive, is informed in writing by the OCC that the bank still may be treated as an "eligible bank."

An **eligible depository institution** means a state bank or a federal or state savings association that is FDIC-insured and that meets the eligible bank criteria.

A **filer** is a person, group of persons, national bank, state-chartered bank, thrift, other financial institution, or any other entity that submits a corporate filing to the OCC.

An **incomplete filing** is not fully responsive to each item of information included in a sample notice or application or lacks adequate information, when considered together with other available information, for the OCC to make its decision.

A national bank's **legal name** is its full name as reflected in its charter and Articles of Association, except that a bank may abbreviate terms that indicate corporate status (e.g., N.A., N.S. & T., Corp., Inc.) in any document, except its charter, charter application, and Articles of Association.

A **lead depository institution** means the largest depository institution controlled by a holding company.

A **notice** is a submission notifying the OCC that a filer: (1) intends to engage in certain corporate activities or transactions; or, (2) has begun certain corporate activities or transactions (see also **application** definition).

An **undercapitalized bank** is an FDIC-insured depository institution that meets the criteria established in 12 CFR 6.4(b)(3), (4), and (5), for an undercapitalized, significantly undercapitalized, or critically undercapitalized bank, respectively.

General Filing Instructions

Prefiling Discussions and Meetings

The OCC encourages applicants to contact the OCC prior to filing to discuss corporate proposals. Prefiling communications may take the form of informal discussions (e.g., telephone and/or conference calls) and more formalized prefiling meetings.

An applicant may request a prefiling meeting with appropriate OCC staff to review a proposed transaction and the applicable processing steps. The OCC also may require a prefiling meeting (e.g., charters) to discuss the submission requirements and appropriate policies and procedures relating to a proposed corporate filing. Generally, Licensing staff in the district offices:

- Arrange meetings between appropriate OCC staff (e.g., licensing, legal, supervision, compliance) and the applicant.
- Summarize the meeting in a memo, which is held in a pending file until, and if, an application is filed.

Filers requesting OCC approval of an activity or transaction involving novel, precedential, or highly complex or sensitive issues should contact Licensing staff in the appropriate district office before actually submitting the application to discuss the issues it raises. This prefiling discussion facilitates the filer's ability to effectively prepare the filing. It also enhances the OCC's ability to efficiently process the filing. Such filers are expected to provide supporting written analysis, including a legal opinion.

After state laws are enacted or amended to permit a banking activity or facility previously prohibited by state law, the OCC usually will accept, but will not act upon, applications prior to the effective date of state law.

Responsibility

The OCC expects each filer to prepare accurately and completely each filing submitted to it. Each applicant certifies that its filing or supporting materials submitted to the OCC contains no material misrepresentations or omissions.¹

Each filer should:

- Submit all necessary information about a proposed corporate filing to aid the OCC in reaching an informed decision quickly.
- Provide a response to each request for information. If appropriate, an answer of "not applicable" or "none" should be provided.
- Determine compliance with all applicable statutes and regulations.

Each applicant files a standard type of application, unless it qualifies for a streamlined submission. Requirements for streamlined or abbreviated submissions are included in each booklet, if applicable.

Location

Entrants to the National Banking System

A group of new national bank organizers generally submits its charter application to the licensing manager in the appropriate OCC district office for the new institution. A bank or thrift that proposes to convert into a national bank generally submits its filing to the licensing manager in the appropriate district office for the converting institution. Foreign banks operating federal branches and agencies file with the IB&F in Washington, DC. The addresses of the offices that receive filings are listed in the Appendixes (see [Appendixes—OCC District and Washington Office Listing](#)).

Existing National Banks

Each existing national bank submits filings to the licensing manager in the appropriate district office (see Definitions and [Appendixes—OCC District and Washington Office Listing](#)).

¹Any person responsible for any misrepresentation or omission in a filing or supporting materials may be subject to enforcement action and other penalties, including criminal penalties under 18 USC 1001.

Requests for Confidential Treatment

A filer or other person submitting information to the OCC may request that it grant confidential treatment to information submitted. That party should separate the confidential from the nonconfidential information. The information segregated for confidential treatment should be identified clearly. Anyone making such a request should draft the request for confidential treatment precisely, to extend only to those portions of a document it considers to be confidential.

The OCC does not grant such requests automatically. It will decide whether to treat that material confidentially according to the Freedom of Information Act (FOIA), when a request is made for access to that information.

The Licensing staff will place all requests for confidential treatment in the official file. When a request for a copy of the filing or other submission is received, the Licensing staff establishes a public file that is available to anyone. The public file generally consists of the portions of the filing for which the applicant has not requested confidential treatment and any supporting data and supplementary information. Additionally, any information received from the public or interested persons about the filing is included, if confidential treatment was not requested. (For a complete discussion, see the "[Public Involvement](#)" booklet.)

Submission Requirements

The manual booklets contain sample forms for each type of application or notice that may be filed with the OCC. Those sample forms may be downloaded or searched on the OCC's Internet site, <http://www.occ.treas.gov>. Alternatively, upon request, the OCC will make available to any filer a diskette containing the sample format in commonly used, word processing software.

The OCC will accept an application on a standard 3½ inch diskette in commonly used, word processing software. Each submission should be accompanied by a cover letter identifying the filer, the filing, the file name on the diskette, and the word processing software used. An original and the appropriate number of signed documents should accompany the diskette submission as well as copies of attachments. The OCC will make copies of diskette-submitted documents to accompany materials provided to the public and other agencies, if applicable.

Unless filing by diskette, all filings and supporting documentation should be submitted unbound on standard letter-sized paper (i.e., no larger than 8½ by 11 inches). Regardless of the filing format (i.e., paper or diskette), all submissions must be in English. An original foreign language document should accompany each translated one, if prepared by another party. In

addition, the OCC normally requires financial statements prepared in a foreign country to be restated in U.S. dollars, using accounting standards that are generally accepted (GAAP) in the United States.

Except for filings under the Bank Merger Act and the Change in Bank Control Act, each filer should submit an original and one copy of an application or notice. An applicant filing under the Bank Merger Act should submit an original and four copies. Anyone filing under the Change in Bank Control Act should submit an original and five copies.

In lieu of following the OCC's sample form, filers may submit a form, application, or other document submitted to another federal agency, if that submission covers the proposed action and contains substantially the same information required by the OCC.

To avoid preparing lengthy background or supporting documentation each time a filer submits an application, the applicant may incorporate by reference relevant information given to the OCC or another federal agency in a previous application or filing by attaching it as an appendix or exhibit.

Each filer may submit its original corporate filing, including copies, by one of the following methods: hand delivery, regular mail, mail with return receipt requested, or express or overnight mail service (e.g., Federal Express, Express Mail, United Parcel Service). Filers may submit additional information by any of those methods or by facsimile to the appropriate district office. Sometimes, the OCC may accept limited information by telephone.

Branch and Trade Names

The OCC permits national banks to operate branches under different trade names. However, the OCC is concerned that if customers believe they are dealing with two different depository institutions, they may inadvertently exceed FDIC insurance limits (generally, \$100,000 per institution) by depositing excess amounts in different branches of the same institution. The OCC believes it is important that customers understand the scope of FDIC insurance in those circumstances. Accordingly, a bank that intends to use a different name for a branch or other facility should be advised to take reasonable steps to ensure that customers will not become confused and believe that its facilities are separate institutions or that deposits in the different offices are separately insured. Such measures may include, but are not limited to:

- Disclosing, clearly and conspicuously, in signs, advertising, and similar materials that the facility is a branch, division, or other unit of the bank. The bank should exercise care that the signs and advertising do not create a deceptive and/or misleading impression.

- Using the legal name of the bank for legal documents, certificates of deposit, signature cards, loan agreements, account statements, checks, drafts, and other similar documents.
- Educating bank staff about the possibility of customer confusion over deposit insurance. The OCC recommends that the bank instruct staff at the branch and any other facilities operating under trade names to inquire of customers prior to opening new accounts, whether they have deposits at the bank's other facilities or branches. In addition, during the time period soon after the bank combines with, acquires, or is acquired by another depository institution, staff should be reminded to call customers' attention to disclosures that identify a particular branch or facility as part of an institution.
- Obtaining from depositors opening new accounts at the branch a signed statement acknowledging that they are aware that the branch and other facilities belong to the same bank and that deposits held at each facility are not insured separately.

In addition, the practice of banks using different trade names over a computer network, such as the Internet, raises similar concerns. Accordingly, institutions intending to use different trade names over a computer network should take reasonable steps to ensure that customers will not be confused about either the bank's identity or the extent of FDIC insurance coverage.

Filing Fees

The OCC publishes a corporate filing fee schedule at least annually in a bulletin entitled, "Notice of Comptroller of the Currency Fees." The OCC mails the bulletin to all national banks. A copy of the current bulletin may be obtained from the OCC's Communications Division or by accessing the OCC's Internet site, <http://www.occ.treas.gov> (see [Appendixes—OCC District and Washington Office Listing](#)).

The appropriate filing fee must be paid by check or other means, if any, listed in the bulletin. Checks should be payable to the "Comptroller of the Currency" and accompany the filings.

The OCC generally does not refund filing fees. However, when justified by the OCC's processing cost or in extenuating circumstances, the OCC may grant a request for a fee waiver, reduction, or refund (fee concession). To request a fee concession, the filer should make a written request, including justification, to the licensing manager in the appropriate district office before or simultaneously with submission of its corporate filing. The OCC decides all requests individually. A fee concession may be warranted for:

- A corporate reorganization when numerous affiliates are being combined, but only one analysis is needed.
- A transaction when multiple filings are necessary to comply with statutory or regulatory requirements.
- A filing necessitated by a natural disaster.

Publication

Applicants for certain types of transactions must publish notices as required by law or regulation (public notice). This notice is followed by a comment period during which the public may provide comment to the OCC. Generally, each affected filer publishes a public notice of its filing in a newspaper of general circulation in the community in which it proposes to engage in business. The OCC's regulations require that this notice be published on the date of filing, or as soon as practical before or after that date. The specific publication requirement for each type of corporate filing is discussed in the relevant booklet in this manual (also see the "[Public Involvement](#)" booklet for a more detailed discussion). If the filer publishes one public notice for multiple transactions, it must explain in the notice how the transactions are related.

The OCC publishes notice of all corporate applications subject to a public notice and other corporate filings received or acted upon each week in its *Weekly Bulletin*. The *Weekly Bulletin* is available through the OCC Information Line (fax-on-demand service) and may be downloaded or searched on the OCC's Internet site, <http://www.occ.treas.gov/weekly/weekly.htm>. Those notices provide additional information to the public, but do not satisfy the applicant's public notice requirements. Information about how to subscribe to the *Weekly Bulletin* and other OCC publications is available from the OCC Internet site and the Communications Division (see [Appendixes—OCC District and Washington Office Listing](#)).

In any case presenting significant and novel policy, supervisory, or legal issues, the OCC may require public notice for filings that are not generally subject to public notice. The OCC may also determine that public notice in addition to the legal notice is needed. In those situations, the OCC will decide the form and extent of the public notice based on the type of filing, the issues presented, and the need to provide effective public notice without undue delay. (See also the "[Public Involvement](#)" booklet for a more detailed discussion.)

Communications

The OCC encourages each filer to appoint a contact person to serve as its primary liaison. To enhance communications between the OCC and the filer

and to expedite handling, the OCC encourages contact persons to use a 12-digit control number on all communications with it during the filing process. This control number, which identifies each filing uniquely, is assigned by the Corporate Activities Information System (CAIS), an OCC automated on-line system designed to monitor corporate filings when an application is received by the OCC.

Interested parties may file written comments to support, or oppose, a proposed transaction or activity during the public comment period (see the "[Public Involvement](#)" booklet). The OCC encourages banks and interested persons, including community groups, to communicate continuously on matters of material interest, not only when an application is filed.

In general, the OCC relies on written information submitted during the comment period to reach a decision on an application. However, it will consider obtaining information by other means (e.g., public or private meetings) if useful in reaching a decision. (Details on meetings and requesting hearings and their conduct are included in the "[Public Involvement](#)" booklet.) Licensing staff prepare and file memoranda that summarize meetings and significant conversations.

General Processing Procedures

Licensing staff in the appropriate district office process most corporate applications. Upon receipt, Licensing staff review each corporate filing to determine whether it contains all information necessary to reach a decision. Licensing staff:

- Requests additional information from the applicant by a specific due date, if the filing does not contain all information necessary to reach a decision.
- Solicits input from appropriate OCC staff (e.g., licensing, legal, supervision, compliance).
- Processes each application in a timely manner.

If at any time the Licensing staff determines that the filing presents significant policy, legal, CRA, consumer compliance, or supervisory issues, staff will contact BOS to decide:

- Whether the application should be forwarded to the Washington office for processing.
- Whether specific issues should be carved out for Washington action, while the application continues to be processed in the appropriate district office.

- When the filing should be forwarded to Washington.

Expedited Review

The OCC's expedited review procedures create greater assurance that certain corporate filings from healthy banks with satisfactory or better CRA ratings will be approved. Applications from those "eligible banks" may be given expedited review for:

- Establishment of branches.
- Branch and main office relocations.
- Certain business reorganizations and other acquisitions.
- Fiduciary powers.
- Change in permanent capital.
- Certain operating subsidiary and bank service corporation activities.
- A national bank charter sponsored by a holding company whose lead depository institution is an eligible depository institution.
- A conversion to a national bank charter by an eligible bank or eligible depository institution.

Processing

Upon receipt of a filing, the OCC verifies the applicant's eligibility for expedited review. If the applicant is eligible and the filing qualifies for expedited review, the OCC reviews the filing to ensure that all necessary information has been submitted and that:

- It does not present a significant supervisory, CRA (if applicable), or compliance concern; or
- It does not raise a significant legal or policy issue.

The OCC will not remove a filing from expedited review if it determines that adverse comments:

- Do not raise significant concerns or issues;
- Are frivolous; or

- Raise CRA issues that the OCC determines have been resolved satisfactorily (see the Community Reinvestment Act discussion in the ["Public Involvement"](#) booklet).

The OCC will send the applicant a decision letter on a filing afforded expedited review prior to the date the filing would become approved through the passage of time.

Expedited Time Frames

The time periods for processing filings afforded expedited review are specified in the appropriate sections of 12 CFR 5 and in an Appendix to this booklet (see [Appendixes—Target Time Frames](#)). For applications subject to public comment periods, the time period generally expires 15 days after the end of the comment period.

Removal from Expedited Review

The OCC will remove an application from expedited review, if:

- The filing itself or an adverse public comment about the filing raises a significant concern or presents a significant issue;
- The application does not contain information needed to make an informed decision;
- It is a year-2000-covered application and the applicant bank, federal branch or agency, or operating subsidiary is not in compliance with the OCC's year 2000 guidelines (see Year 2000 Considerations discussion).
- The OCC needs additional time to conduct hearings or meetings or obtain or analyze information relevant to the application; or
- The applicant requests removal of an application from expedited review.

The OCC will notify the applicant promptly orally, followed by notice in writing if an application is removed from expedited review.

Standard Corporate Review

The OCC will review all filings not accorded expedited review according to the standard review procedures described in the manual booklet covering the particular filing. The OCC will determine whether approval is consistent with applicable law, regulations, policies, and safety and soundness considerations. Criteria applicable to each type of filing are contained in the respective manual booklet. The OCC will request any additional information

or opinion it needs to reach an informed decision and may conduct investigations or examinations, if necessary.

Filings Required for Undercapitalized Banks

Twelve USC 1831o requires that an undercapitalized bank must obtain the FDIC's or the OCC's prior approval to acquire, directly or indirectly, any interest in any company or depository institution, establish or acquire any additional branch office, or engage in any new line of business. To grant approval to an undercapitalized bank, the OCC must determine that:

- The bank has submitted an acceptable capital restoration plan.
- The bank is implementing the plan.
- The proposed filing is consistent with and will further the achievement of the plan.

Acknowledgment of Receipt

Within five business days of receipt, the OCC will acknowledge receipt by telephone, in writing, by facsimile, or otherwise, of the following correspondence:

- An initial submission of a corporate filing if:
 - It is received by regular mail or similar delivery that does not provide the sender notice of receipt; or
 - The filing status (expedited versus standard filing) is inaccurate.
- A comment on a corporate filing from an interested person.
- A request for copies from a public file.
- A request from an interested person for a hearing.
- A request for information and other miscellaneous correspondence.
- A request for information under FOIA.

If receipt is acknowledged, the OCC normally will provide the applicant with an estimated target time frame for processing the filing. OCC staff will update that estimate if the situation changes.

Subsequent correspondence from an applicant, its representatives, or interested persons will not necessarily be acknowledged.

Requests for, and Submission of, Additional Information

Although the OCC will strive to ask for additional information or opinions at the earliest possible date, it may make that request of an applicant at any time during the processing of a corporate filing. When requesting additional information, the OCC will advise the applicant of the due date for that submission. A request for additional information does not suspend the review period for filings accorded expedited review. However, failure to provide the information in a timely manner could result in a delayed, conditionally approved, denied, or technically abandoned application.

Minor corrections may be addressed over the telephone. If the application contains major deficiencies, the OCC normally will send a letter to the applicant detailing the deficiencies and requesting additions or corrections.

If additional information changes the nature of the original filing substantially, the OCC may direct a filer to republish and provide the public with another opportunity for comment.

Significant Changes

Each filer must notify the OCC of any significant change to each proposal, whether it occurs prior to the OCC's initial decision or after. If the OCC discovers a material misrepresentation or omission after deciding the filing, it may nullify its decision. Any person who misrepresents or omits facts in a filing or supporting materials may be subject to enforcement actions or other penalties, including criminal penalties provided in 18 USC 1001.

Time Considerations

When a filer submits two or more related corporate filings jointly, even if one or more, but not all of the submissions, meet the qualifications for expedited review, expedited procedures do not apply, and the OCC will follow standard review procedures. If all of the filings qualify for expedited review, they will be deemed approved as of the end of the longest applicable time period, unless the OCC has issued a decision or advised the applicant that the filings will not be given expedited treatment, because they raise significant legal, policy, supervisory, CRA, or compliance concerns or issues.

Effective August 24, 1994, a new statute (12 USC 4807) requires that the OCC (and all other federal banking agencies) take final action on any application before the end of a one-year period beginning on the date a complete filing is received. A filer may request the agency to waive this requirement for any corporate filing; however, the OCC expects to render a decision on each application well in advance of the one-year deadline (see [Appendixes—Target Time Frames](#)).

After-the-Fact Notices

In certain instances, the OCC does not review activities or grant approval, but does require an after-the-fact notice. The OCC uses this information to determine continuously its supervisory strategy for the bank and to maintain the accuracy of its institutional database.

Filers should submit after-the-fact notices for the following list of activities no later than 10 days after beginning the new activity:

- The acquisition or establishment of operating subsidiaries conducting specified activities.
- Investment in or performance of certain activities by bank service corporations
- Aggregate investment in bank premises up to 150 percent of the bank's capital and surplus.
- Voluntary liquidation.
- Consolidation or merger into a resulting state bank or federal savings association.
- Certain subordinated debt filings.

Community Reinvestment Act (CRA)

Congress enacted the CRA in 1977 to require federal bank and thrift regulators to encourage insured depository institutions to help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institutions. In accordance with the CRA, the OCC considers an applicant's record of CRA performance in deciding applications for:

- Establishment of a domestic branch.
- Relocation of a main office or branch office.
- Business combination.
- Conversion to a national bank charter.

An applicant for a new national bank charter (other than a conversion applicant) submits a description of how it will meet its CRA objectives. The OCC evaluates the description in considering the application.

The OCC publishes decision letters with CRA conditions or otherwise addressing CRA issues in applications in its *Interpretations and Actions*. The OCC posts the full text of *Interpretations and Actions* on its Internet site, <http://www.occ.treas.gov/int&act.htm>. The letters describe the rationale for the decision, including any significant deficient area in the bank's performance, the source of the OCC's information on the problems, and the resolution of issues raised by an adverse comment, if any, and how the applicable conditions address the deficiencies. (See the "[Public Involvement](#)" booklet for a further discussion of CRA's application.)

Year 2000 Considerations

The OCC expects all national banks to have an action plan to address year 2000 systems issues. The OCC will consider those issues in deciding the following year-2000-covered applications:

- A new bank charter.
- A conversion to a national bank charter.
- A business combination.
- An operating subsidiary that relies heavily upon technology.
- The establishment of a federal branch or agency.

The OCC also considers year 2000 issues when providing comments to the Federal Reserve Board (FRB) on acquisitions of national banks by existing bank holding companies, or proposed holding company formations by national banks, Regulation K² applications from national banks or comments to other regulators on applications for changes in bank control.

OCC Guidance

The OCC has issued the following advisory letters about year 2000 systems issues:

- [Advisory Letter 97-6](#) (AL 97-6), dated May 16, 1997, which outlines comprehensive guidance for banks to effect a year 2000 compliant system.
- [Advisory Letter 97-10](#) (AL 97-10), dated December 17, 1997, which outlines safety and soundness guidelines for year 2000 business risk.

²Regulation K addresses foreign operations of FRB member banks and applications pertaining to the establishment of foreign branches. Edge Act and Agreement corporations, investments in foreign companies and subsidiaries, and requests to engage in new activities are not specifically authorized by the regulation.

- [Advisory Letter 98-1](#) (AL 98-1), dated January 20, 1998, which outlines OCC year 2000 expectations for year-2000-covered applications.
- [Advisory Letter 98-3](#) (AL 98-3), dated March 27, 1998, which outlines guidance concerning certain risk factors and due diligence to consider when assessing year 2000 vulnerabilities.

Advisory Letters established the following target time frames to accomplish critical actions for year 2000 compliance:

- September 30, 1997 — The bank should have identified affected applications and databases. Mission critical applications should be identified and an action plan set for year 2000 work.
- June 30, 1998 — The bank should have implemented a process which identifies, assesses, and controls the year 2000 risks (i.e., credit, liquidity, or counterparty trading risks) posed by their customers.
- December 31, 1998 — Code enhancements and revisions, hardware upgrades, and other associated changes should be largely completed. In addition, for mission critical applications, programming changes should be largely completed and testing should be well underway.

Between January 1, 1999 and the end of that year, each bank, federal branch or agency, and operating subsidiary that relies heavily upon technology should be testing and implementing its year 2000 conversion programs.

Assessment of Year 2000 Compliance

An applicant filing a year-2000-covered application must ensure that the application addresses compliance with [AL 97-6](#), [AL 97-10](#), [AL 98-1](#), [AL 98-3](#), and any other subsequent OCC year 2000 guidance. For all year-2000-covered applications, during the corporate review process, the Licensing staff will consult with the appropriate supervisory staff (i.e., portfolio manager, ADC, or BIS) to verify that the bank is on schedule with the target time frames of AL 97-6 or subsequent guidance.

For the most current guidance about year 2000 issues, refer to the OCC's Internet site, <http://www.occ.treas.gov> or call the OCC Information Line (fax-on-demand service).

For a new bank charter, the establishment of a federal branch or agency, or an operating subsidiary that relies heavily upon technology, the OCC:

- Expects the applicant to submit a representation about year 2000 compliance and an action plan that complies with year 2000 guidance.

- Expects any new, internally-developed systems to be year 2000 ready.³
- Strongly encourages the bank, federal branch or agency, or operating subsidiary to choose a year 2000 ready vendor, if it plans to purchase applications software or systems or to contract for data processing services.

In the event the bank, federal branch or agency, or operating subsidiary selects a vendor that is not yet year 2000 ready, the OCC will determine whether the applicant can ensure sufficiently that:

- The vendor has a year 2000 compliance plan.
- The vendor has sufficient resources (e.g., hardware, people, dollars) to complete its year 2000 conversion project within the time frames of [AL 97-6](#), [AL 98-3](#), and subsequent OCC Year 2000 guidance.
- Appropriate management officials monitor its vendors' year 2000 conversion efforts and develop contingency plans, including trigger dates, for mission critical applications should vendor solutions or time frames prove inadequate.

Licensing staff will:

- Obtain a representation from the applicant about year 2000 compliance.
- Coordinate a review of year 2000 preparedness in consultation with supervisory staff.

Deficiencies or Concerns

The OCC will conduct additional reviews for any bank, federal branch or agency, or operating subsidiary heavily reliant upon technology filing a year-2000-covered application that is not in compliance with the OCC's year 2000 guidelines, including the target time frames of AL 97-6 and AL 98-3. At that time, the OCC may:

- Assess the applicant's financial and managerial ability to remedy any year 2000 deficiencies.
- Review its plans to remedy any year 2000 deficiencies.

³When the applicant belongs to a larger domestic or foreign banking organization, existing in-house systems will be subject to the year 2000 compliance time frames of OCC Advisory Letter 97-6 or subsequent guidance.

- Remove the application from expedited review status to review compliance issues further.
- Impose appropriate conditions, enforceable under 12 USC 1818, to address year 2000 concerns, if the problem represents a significant supervisory concern. Appropriate conditions could include:
 - Specific requirements and time frames for specific remedial actions.
 - Specific measures for assessment and evaluation of the bank's year 2000 status or progress.

The OCC may deny a filing if the problems represent a significant supervisory concern or if approval would be inconsistent with applicable law, regulation, or OCC policy.

National Historic Preservation Act (NHPA) and National Environmental Policy Act (NEPA)

The OCC considers historical preservation and environmental factors in deciding requests for:

- New bank charters.
- Establishment of federal branches and agencies.
- Establishment of domestic branches and seasonal agencies.
- Relocation of existing bank offices.

Generally, organizers of national banks, federal branches and agencies, and national banks should contact the OCC prior to taking any action that might affect a historic property or the quality of the human environment.

NHPA

Applicants must certify whether a proposed transaction will affect any district, site, building, structure, or object ("historic properties") listed in, or eligible for listing in, the *National Register of Historic Places* as stated in the NHPA, 16 USC 470-470x-6. In determining whether a historic property may be affected, the applicant should first determine the area of potential effect and identify whether any historic properties exist within that area. In determining whether historic properties exist there, the applicant should:

- Review existing information on historic properties that may be potentially affected, including data that indicate that unidentified historic properties may exist.

- Seek information from local governments, Native American tribes, public and private organizations, and other parties that may have knowledge or concerns about historic properties in the area.
- Request the views of the State Historic Preservation Officer (SHPO) on further ways to identify historic properties that may be affected.

If a proposal may affect a historic property, the OCC is required to seek information from the applicant and the SHPO. The OCC also considers statements from interested organizations and persons about the bank's plans, including any of those that would mitigate any adverse impact. Submission of this information with the application helps expedite its processing.

A determination of effect on the identified historic properties must be made. The applicant should provide its proposal to the SHPO and request determination of effect. Under the NHPA, one of three determinations of effect can be made: "no effect," "no adverse effect," or "adverse effect." The NHPA requires that the OCC notify and submit documentation supporting a determination of either "no adverse effect" or "adverse effect" to the Advisory Council on Historic Preservation (ACHP) for its review. The OCC may not approve an application until the ACHP has completed its review. The applicant may not take any action that may affect a historic property, until the OCC approves the application.

Applicants may not intentionally alter or destroy a historic property in anticipation of filing an application to avoid the review requirements of Section 106 of the NHPA (16 USC 470f). The OCC will not approve applications when a historic property has been harmed before the Section 106 process has been completed.

NEPA

Applicants must certify whether a proposed transaction will affect the quality of the human environment significantly (i.e., air and water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land) within the meaning of the NEPA, 42 USC 4321-4347.

Applicants should submit information from the state and other organizations about specific plans to mitigate the potential adverse impact of a proposal on the quality of the human environment. Early submission of this information by applicants helps to expedite the processing of applications.

Decisions

The OCC evaluates the complete filing to determine whether the applicant may complete the transaction legally and operate the proposed activity in a safe and sound manner. Each filing is evaluated on its merits. Specific decision criteria are contained in each relevant booklet of the manual.

Consolidated Entity

In reaching its decision, the OCC considers the activities, resources, or condition of an affiliate of the applicant that reasonably may reflect on or affect the applicant. For example, the OCC recognizes that the strength of a parent, combined with the direct support it offers, can mitigate supervisory concerns about an affiliated bank. Conversely, the OCC recognizes when the satisfactory condition of an affiliate bank is overshadowed by that of its parent or affiliate companies. In those cases, the OCC considers the extent to which the condition of the bank is affected by the overall condition of the consolidated entity.

Approval or Conditional Approval

The OCC may approve or conditionally approve any filing, including one accorded expedited review, after reviewing the application and considering the relevant factors. The OCC may impose conditions if it determines that they are necessary or appropriate to ensure that approval is consistent with applicable statutes, regulations, and OCC policies.

The OCC imposes on many corporate filings standard requirements, which must be met before completing the proposed transaction (e.g., opening a bank or a branch or completing a merger). In addition, the OCC sometimes imposes special conditions that corporate filers must satisfy before the OCC will allow completion of the proposed transaction. Final approval occurs once the filer has complied with all of the requirements of its approval letter, but has not, as yet, consummated the transaction.

In some cases, the OCC may impose conditions enforceable under 12 USC 1818. These are included in approvals containing conditions that remain in effect after the effective date or consummation date of an approved

transaction or activity and continue until the OCC removes them. Examples of conditions that may be imposed include:

- Provisions that limit the activities that a bank subsidiary may conduct or set standards for how certain activities may be conducted.
- Special supervisory conditions, which require adherence to a capital or CRA plan.

In approval letters that include a reference to enforceability, the following language will be inserted in a separate paragraph that precedes a list of conditions:

Please be advised that the following conditions of this approval shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818(b)(1).

Denial

The OCC may deny a filing if:

- Significant supervisory, CRA (if applicable), or compliance concerns exist.
- Approval would be inconsistent with applicable law, regulation, or OCC policy.
- The applicant fails to provide information in a timely manner that the OCC requested to make an informed decision.

Abandonment

A filing must contain information described in the appropriate booklet of this manual. If an applicant fails to provide required or additional requested information within the time period specified by the OCC, the OCC may deem a filing abandoned.

Notification of Interested Persons

The OCC provides commenters and other interested persons with a written decision immediately after the filer is notified. Interested persons may not appeal the OCC's decision. A member of Congress who files a congressional inquiry also will receive a copy of the OCC's decision from the OCC's Congressional Liaison. (See also the "[Public Involvement](#)" booklet.)

Post-Decision Issues

Extensions

When the OCC approves or conditionally approves a filing, it generally gives the applicant up to 18 months to begin the new or expanded activity. If the approval time runs out and the transaction is not consummated, the OCC's approval ends automatically.

The OCC normally does not grant extensions of time. However, in extenuating circumstances, extension of the approval time may be requested from the Licensing staff in the appropriate district office and be granted. However, the applicant must provide sufficient information to prove that the reason for the delay is beyond its control (e.g., environmental clean up that must be done before a branch office can be built).

Satisfaction Survey

The OCC includes a Satisfaction Survey (see [Appendixes—Satisfaction Survey](#)) with the decision letter to the applicant. Comments are welcomed and used to improve licensing policies and procedures continuously.

Nullifications

After rendering a decision on a filing, the OCC may nullify the decision if it discovers:

- A material misrepresentation or omission.
- The decision is contrary to law, regulation, or OCC policy.
- A clerical or administrative error, or a material mistake of law or fact occurred.

Appeals

An applicant may request review of an OCC decision according to the National Bank Appeals Process ([OCC Issuance 96-18](#)). Applicants may appeal a decision to the Ombudsman or the Deputy Comptroller for BOS (see [Appendixes—OCC District and Washington Office Listing](#)).

Requests for OCC Corporate Decisions

Final decisions on corporate filings are available to the public. Requests for those decisions should be directed to: Comptroller of the Currency, Attn: Disclosure Officer, Communications Division (3-2), Washington, DC 20219.

Requests for final decisions generally are answered within 10 business days of receipt.

General Policies and Procedures

References

After-the-Fact Notice Regulation	12 CFR 5
Appeals Process Regulation OCC Issuance	12 CFR 5.13(f) OCC 96-18
Community Reinvestment Act Law Regulation	12 USC 2901 et. seq. 12 CFR 25
Decisions Laws Regulation	12 USC 93a, 1818(b), 1831o(e)(4) 12 CFR 5.13
Definitions Regulation	12 CFR 5.3
Expedited Review of Corporate Filings Regulation	12 CFR 5.13(a)(2)
Extension of Time for Review of Corporate Filings Regulation	12 CFR 5.13(g)
Filing Fees Regulation	12 CFR 5.5
Hearings and Other Meetings Regulation	12 CFR 5.11
Misrepresentations or Omissions Law	18 USC 1001
National Environmental Policy Act Laws Regulation	42 USC 4321-4347 40 CFR 1500
National Historic Preservation Act Laws Regulation	16 USC 470-470x-6 36 CFR 800

Public Comment Regulation	12 CFR 5.10
Public File Availability Regulation	12 CFR 5.9
Publication Requirement Regulation	12 CFR 5.8
Time Limit Law	12 USC 4807

OCC District and Washington Office Listing

Northeastern

1114 Avenue of the Americas, Suite 3900
New York, New York 10036-7780

Telephone 212-790-4055
Fax Number 212-790-4098

Business Hours 8:30 a.m. to 5:00 p.m.

Supervises most national banks headquartered in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, and the Virgin Islands.

Southeastern

Marquis One Tower, Suite 600
245 Peachtree Center Ave., NE
Atlanta, Georgia 30303-1223

Telephone 404-588-4525
Fax Number 404-588-4532

Business Hours 8:00 a.m. to 5:00 p.m.

Supervises most national banks headquartered in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Central

One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605-1073

Telephone 312-663-8084
Fax Number 312-435-0951

Business Hours 8:00 a.m. to 5:30 p.m.

Supervises most national banks headquartered in Illinois, Indiana, Kentucky, Michigan, Ohio, and Wisconsin.

Midwestern

2345 Grand Boulevard, Suite 700
Kansas City, Missouri 64108-2683

Telephone 816-556-1860
Fax Number 816-556-1892

Business Hours 7:30 a.m. to 5:00 p.m.

Supervises most national banks headquartered in Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

Southwestern

1600 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201-3394

Telephone 214-720-7051
Fax Number 214-720-7098

Business Hours 8:00 a.m. to 5:30 p.m.

Supervises most national banks headquartered in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

Western

50 Fremont Street, Suite 3900
San Francisco, California 94105-2292

Telephone 415-545-5984
Fax Number 415-545-5925

Business Hours 8:00 a.m. to 5:30 p.m.

Supervises most national banks headquartered in Alaska, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, Northern Mariana Islands, Oregon, Washington, Wyoming, and Utah.

Large Banks

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-4620
Fax Number 202-927-0631

Business Hours 8:00 a.m. to 5:30 p.m.

Supervises all national bank subsidiaries of certain holding companies assigned to this office.

International Banking and Finance

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-4730
Fax Number 202-874-5234

Business Hours 8:00 a.m. to 5:30 p.m.

Supervises federal branches and agencies of foreign banks.

Bank Organization and Structure

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-5060
Fax Number 202-874-5293
Internet bos@occ.treas.gov

Business Hours 8:00 a.m. to 5:30 p.m.

Processes corporate applications from all national bank subsidiaries of certain holding companies assigned to the Washington, DC licensing unit, and applications involving novel, complex, or precedent-setting issues. Also has responsibility for oversight of district Licensing staff and development and implementation of licensing policies.

Bank Activities and Structure

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-5300
Fax Number 202-874-5322

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for legal issues relating to banking organizations and structures and various banking activities.

Securities and Corporate Practices

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-5210
Fax Number 202-874-5279

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for securities, fiduciary, and insurance legal issues as well as corporate governance and shareholder rights.

Community and Consumer Law

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-5750
Fax Number 202-874-5322

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for community and consumer legal issues, including community reinvestment and community development matters.

Counselor for International Activities

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-0680
Fax Number 202-874-4555

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for legal issues relating to foreign banks' operations in the United States and U.S. banks' operations abroad, including licensing issues (e.g., federal branches and agencies).

Community and Consumer Policy

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-4446
Fax Number 202-874-5221

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for community and consumer policy issues, including designation of limited purpose banks under 12 CFR 25.

Community Development Division

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-4940
Fax Number 202-874-5566

Business Hours 8:00 a.m. to 5:30 p.m.

Has responsibility for community development policy issues, including filings under 12 CFR 24.

Communications

Comptroller of the Currency
Washington, DC 20219-0001

Telephone 202-874-4700
Subscriptions 202-874-4960
Fax Number 202-874-5263
Fax-on-demand 202-479-0141
Internet Site <http://www.occ.treas.gov>.

Business Hours 8:00 a.m. to 5:30 p.m.

Ombudsman

Comptroller of the Currency
301 McKinney Street
Suite 3725
Houston, Texas 77010

Telephone 713-336-4350
Fax Number 713-336-4351

Business Hours 8:00 a.m. to 5:30 p.m.

Target Time Frames

Target Time Frames in Numbers of Days¹

	Standard	Expedited ²
Bank service company	60	30
Branch	60	45
Business combination	60	45
Capital change	45	30
Change in bank control	60	na
Change in directors and senior executive officers	90	na
Charter		
Independent bank	120	na
Holding company sponsored	90	45
Director waiver	30	na
Conversion to national charter		
Independent bank	90	30
Independent thrift	120	30
Holding company owned bank or thrift	90	30
Fiduciary powers	45	30
Investment in bank premises	45	30
Management interlocks	30	na
Operating subsidiary	60	30
Relocation	60	45
Short distance relocation	60	30
Subordinated debt	45	30
Other application types not listed	30	na

¹Number of calendar days from the latter of receipt or publication to OCC action.

²Certain filings from eligible banks automatically are approved after this time.

Satisfaction Survey

[OCC LOGO]

[Date]

Name of Representative

Name of Bank

Address

City, State, ZIP Code

Re: Application Description, CAIS Control Number

Dear Mr./Ms. (Name):

We would appreciate your opinion of our service in processing your application to help us provide better and more efficient services. Your response may be faxed to 202-874-5293 or mailed to:

Director for District/Large Bank Licensing
Bank Organization and Structure
250 E Street, SW
Washington, DC 20219

Please rate the quality of our service by circling a response in the following areas: (1 is outstanding, 3 is neutral, and 5 is significantly deficient):

1 2 3 4 5 Timeliness of our decision.

1 2 3 4 5 Appropriateness of the filing location and/or contact person(s).

1 2 3 4 5 Quality of written guidance, including the *Comptroller's Corporate Manual*.

1 2 3 4 5 Subject knowledge of the primary OCC contact person(s).

1 2 3 4 5 Professionalism and courtesy of the OCC staff.

1 2 3 4 5 Overall rating of the services provided by the OCC.

Please feel free to add any general observations, comments, or suggestions for improving the quality of corporate services, especially if your ratings fall into categories 4 and 5.

Thank you for your assistance.

Sincerely,

) Signature)

Name and Title

OMB Disclosure Statement

The information collections in this manual have been submitted to and approved by the Office of Management and Budget (Control Number 1557-0014, Expiration Date) in accordance with the Paperwork Reduction Act of 1980.

Comments about the information collection, the burden estimates, and suggestions for reducing burden may be sent to: Legislative and Regulatory Activities Division, Comptroller of the Currency, Washington, DC 20219. A copy should also be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, Attention: Treasury Desk Officer.

The OCC requires this information to fulfill its statutory responsibilities and to ensure the continued safety and soundness of national banks. It uses the information to evaluate specific corporate applications of national banks and to prevent potentially unsafe and unsound practices. National banks are the likely respondents.

A list of the various information collections included in this manual follows. An average burden estimate for each filing is provided. Filings are grouped by booklets under each main heading. The average burden hours are broken down by processing type. Depending on each case, the actual time needed by respondents may vary widely.

<u>Filing</u>	<u>Average Burden Hours</u>
Corporate Policies	
Background Investigations	
Interagency Biographical and Financial Report	4
Foreign Certification	1
General Policies and Procedures	
Satisfaction Survey	.25
Corporate Organization	.5
Investment in Bank Premises	1
Entry	
Charters	73
Conversions	4.5
Federal Branches and Agencies	41
Expansionary Activities	
Branches and Relocations	2

Business Combinations	20
Failure Acquisitions	20
Fiduciary Powers	3
Investment in Subsidiaries and Equities	
Operating Subsidiaries	1
Bank Service Companies	1
Equities	1
Other Changes and Activities	
Branch Closings	1
Capital and Dividends	1
Change in Bank Control	30
Changes in Directors and Senior Executive Officers	2
Changes of Corporate Title and Address	.25
Director Waivers	
Citizenship Waivers	1.5
Residency Waivers	.5
Management Interlocks	1
Subordinated Debt	1
Termination of National Bank Status	1